

Message Text

UNCLASSIFIED

PAGE 01 STATE 006615

66

ORIGIN OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 COME-00 /024 R

66607

DRAFTED BY: OPIC/FINANCE: BRIAN R DUFFY

APPROVED BY: EB/IFD/OIA:RJSMITH

EB/IFD/OIA: DHSTEBBING

ARA/BR:JSLATTERY

----- 126248

R 102303Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

UNCLAS STATE 006615

E.O. 11652: N/A

TAGS: EFIN, BR, EINV

SUBJECT: PROPOSED OPIC FEASIBILITY STUDY

1. THE RAILWAY PRODUCTS DIVISION OF PORTEC INC., OAK BROOK, ILLINOIS, HAS REQUESTED OPIC ASSISTANCE TO FINANCE A FEASIBILITY STUDY FOR A MANUFACTURING FACILITY IN BRAZIL TO BE LOCATED OUTSIDE THE RIO/SAO PAULO AREA. THEY HOPE TO TAKE A MINORITY INTEREST IN AN EXISTING BRAZILIAN CORPORATION OR ESTABLISH A NEW CORPORATION CAPABLE OF PRODUCING THEIR PRODUCT LINE. THE PROPOSED PRODUCT LINE WILL CONSIST OF SPECIAL ROLLED STEEL SECTIONS IN THE FORM OF RAIL JOINTS AND FORGED RAIL ANCHORS. RECENT EXPORT SALES (DOLS 2.5 MILLION) SEEM TO INDICATE A STRONG MARKET; HOWEVER, THE COMPANY ANTICIPATES THAT BRAZIL'S DETERIORATING BALANCE OF PAYMENT POSITION AND NEW GOVERNMENT IMPORT RESTRICTIONS WILL PREVENT FUTURE EXPANSION OF SALES WITHOUT A MANUFACTURING FACILITY.

2. MR. D.G.K. WILMOT AND M. JOSEPH CORR, MEMBERS OF SENIOR MANAGEMENT, EXPECT TO BE IN BRAZIL JANUARY 6-18 WORKING ON A MARKETING STUDY AND FEASIBILITY ANALYSIS.

UNCLASSIFIED

PAGE 02 STATE 006615

POSSIBLE JOINT VENTURE PARTNERS AND AVAILABILITY OF

FINANCING WILL ALSO BE EXPLORED. OPIC HAS BEEN REQUESTED TO ASSIST IN THE SECOND PHASE OF THIS STUDY BY SHARING 50 PERCENT OF THE FEASIBILITY COSTS.

3. APPRECIATE EMBASSY COMMENTS ON:

1) CURRENT GOVERNMENT OF BRAZIL IMPORT RESTRICTIONS AND EXPECTED CHANGES;

2) ANTICIPATED GOVERNMENT OF BRAZIL REACTION TO THE PROPOSED VENTURE;

3) ANY COMMENTS EMBASSY WISHES TO ADD TO RIO A-137 AND PREVIOUS ON MARKET POTENTIAL FOR RAILROAD PRODUCTS AND GOVERNMENT PLANS FOR EXPANDING RAILROAD NETWORK;

4) POTENTIAL JOINT VENTURE PARTNERS, GABRIEL CARBALHO' OF DRESO IMPORT-EXPORT
AB: ALEMIRANTE
DARROSO, 91 - ZR. 516, RIO DE JANEIRO, BRAZIL;AND
GEOVIA, PORTEC'S CURRENT SALES AGENT IN BRAZIL;

5) ANY PRELIMINARY COMMENTS ON THE DESIRABILITY OF OPIC ASSISTING THE SECOND PHASE OF THE FEASIBILITY STUDY AND/OR PARTICIPATING IN THE FINANCING OF THE RESULTANT PROJECT. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, MANUFACTURES, STUDIES, IMPORT CONTROLS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE006615
Document Source: CORE
Document Unique ID: 00
Drafter: OPIC/FINANCE: BRIAN R DUFFY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750011-0766
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750160/aaaacayw.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2003 by JonesKG>; APPROVED <07 JAN 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED OPIC FEASIBILITY STUDY
TAGS: EFIN, EINV, BR, OPIC
To: BRASILIA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006